



November 5, 2002

The Hartley County Harvester

**Hartley County FSA
District 1**
PO Box 177
Hartley, TX 79044-0177

Voice: (806) 365-4453
FAX: (806) 365-4446

Hours:
Monday-Friday
8:00 AM – 4:30 PM

County Committee:
Marvin Batenhorst
Joe Parker
Bud Sneed

Minority Advisor:
Babette Spinhirne

Farm Program Staff:
Glen Clugy, CED
Becky Brown, PT
Becky Voight, PT
Teresa Gates, PT
Nicole Melendez, PT

Farm Loan Staff:
(Dalhart Office)
Marc Lathem, FLM
Barbara Koch, PT

Regular Committee Meetings
held on the 3rd Wednesday of
each Month.

Dates to Remember
**December 2, 2002 -- Final
day to return COC
Election Ballots**
**November 30, 2002 -- CRP
Emergency Haying &
Grazing Ends**
**April 1, 2003 -- Final day
to update DCP Base &
Yields**
**June 3, 2003 -- Final day
to Enroll into the DCP
Farm Program**

On the World Wide Web:
USDA Washington Office
www.usda.gov
FSA Washington Office
www.fsa.usda.gov
Texas State FSA Office
www.fsa.usda.gov/tx
Hartley FSA
www.fsa.usda.gov/tx/tx205



Direct & Counter-Cyclical Payment (DCP) Farm Program

Sign-up for the fiscal year 2002 and 2003 Direct and Counter-Cyclical Program (DCP) began October 1 and ends June 1, 2003. This program is open to all farmers that have established PFC crop bases AND/OR planted wheat, barley, oats, cotton, corn, sorghum, soybeans, canola, flax, mustard, rapeseed, safflower, or sunflowers in one or more of the years 1998 through 2001.

Bases and yields will only be updated between now and April 1, 2003. After that date, bases and yields will be frozen for the six-year program. If bases and/or yields are not updated by April 1, 2003, the farm will use the Production Flexibility Contract (PFC) bases and yields (if applicable).

Farm operators cannot update bases and yields. Requests for updated bases and yields can only be made by landowners for their respective acreage, and in the case of a multi-owner farm, all landowners must agree to the updates in order for the farm's base and yield to change. After April 1 and with the exception of farm reconstitutions, bases and yields will remain unchanged for the life of the six-year program.

In an effort to help producers understand their options better under this program, the following information is being provided. Also, with the multitude of options available for updating your level of participation in the farm program, we encourage you to use the "Base and Yield Update Option Analyzer" internet software at <http://www.fsa.usda.gov/pas/farmbill/tools.asp> to help you decide the options best suited for your farming operation. This software was developed by the Texas A&M University System and assistance with it can be obtained through the Texas Agricultural Extension Service.

Crop Acreage Bases: Producers will have the option of maintaining their current PFC bases for this program OR can update the bases to the average of each crop's 1998 through 2001 plantings. Oilseed producers who planted oilseeds in the 1998 through 2001 base period will have additional options for adding their eligible oilseed acres to their existing PFC bases. Producers who elect to update their bases to the 4-year average plantings must do so for all the crops on their farms.

Yields: Starting with this new program, this office will maintain two payment yields for each crop on a farm that has a base, a Direct Payment Yield and a Counter-Cyclical Payment Yield.

Direct Payment yields will be equal to the PFC yield for each crop or, if a PFC yield is

not currently established, the County Committee will establish a yield. Direct Payment oilseed yields will be established using the farm's 1998 through 2001 production adjusted to 1985 levels.

The Counter-Cyclical Payment Yield for each crop will be the same as the crop's Direct Payment Yield, however; producers who elect to update their bases to the 4-year average plantings on a farm will also have the option of "proving" a yield for the crop using their 1998 through 2002 production. If the "proven" option is elected, the yields for all the crops on the farm will be "proven" and it is possible that the "proven" yield for a crop could be less than its Direct Payment Yield. To update crop yields, farmers must provide production evidence in their name indicating the commodity, the buying or storing facility, the transaction or delivery date, and the quantity. LDP payment bushels are eligible to "prove" yields when the crop was chopped, fed to livestock, or grazed.

Payments: Under the DCP, producers will be eligible for two types of payments, a Direct Payment and a Counter-Cyclical Payment. Each of these payments for a farm will be calculated by multiplying each crop base times 85% times the applicable payment yield times the rate in effect for the crop.

The Direct Payment Rates for the 2002 through 2007 DCP will be constant and are:

Wheat	\$.5200 per bushel
Barley	\$.2400 per bushel
Oats	\$.0240 per bushel
Cotton	\$.0667 per pound
Corn	\$.2800 per bushel
Sorghum	\$.3500 per bushel
Soybeans	\$.4400 per bushel
Oilseeds	\$.0080 per pound

The Counter-Cyclical Payment Rates will fluctuate each year depending on each crop's 12-month national market prices received by producers and could be zero each year.

Eligibility: Under this program, producers will be required to annually report their crop acreage, comply with the Conservation Compliance & Controlled Substance Regulations, share in the risk of producing the crops on the farm, effectively control weeds and erosion, and must be determined to be "actively engaged in farming". Additionally, for 2003 through 2007, producer's who receive less than 75% of their adjusted gross income from farming or ranching, cannot have more than \$2.5 million in adjusted gross income. This rule does not apply to producers who receive more than 75% of their total adjusted gross income from farming and ranching.

DCP and Fruits & Vegetable Plantings

Under the DCP Farm Program, the planting of fruits and/or vegetables on base acres is prohibited unless there is an established farm or producer fruit and/or vegetable planting history OR Hartley County is designated as a Fruits and Vegetables Double-Cropping County.

As of this date, Hartley County has not been designated as a Double-Cropping County, and therefore; before you plant any fruit or vegetable crops on your farm, you should contact this office to determine the impact the plantings may have on your DCP benefits.

2003 Small Grain Acreage Reports

All producers are reminded that their 2003 small grain acreage need to be reported to this office by the earlier of:

- 15-days before livestock graze the acreage,
- before the crop is destroyed,
- before the crop is harvested for hay, ensilage or grain,
- May 15, 2003.

Failure to timely report the acreage could result in late-filing fees being applied and/or a loss of program benefits.

If you intend to allow livestock to graze any of your 2003 small grain acreage, we suggest you report the planted acreage immediately.

Livestock Compensation Program

The Hartley County Farm Service Agency (FSA) is currently accepting applications for the new Livestock Compensation Program (LCP). LCP provides direct payments, per head to producers who suffered livestock losses as a result of severe drought conditions. The Secretary of Agriculture is authorized to provide approximately \$752 million in LCP assistance nationwide.

LCP provides assistance to eligible livestock producers who owned livestock for at least 90 days and the livestock were owned on June 1, 2002. Livestock meeting these requirements that have been sold or died after June 1, 2002 and prior to LCP sign-up would be eligible for payment.

Eligible livestock under LCP provisions are beef, dairy cattle, sheep, goats as well as buffalo and beefalo when maintained on the same basis as beef cattle. However, swine, poultry, feedlot livestock and equine animals used commercially for human food or kept for the production of food or fiber on the owner's farm are not eligible for LCP payments.

To apply for this program, please call the Hartley County FSA Office for further details.

Emergency Loans Available

Farmers who suffered significant damage due to specific weather events may be eligible for low-interest emergency loans from FSA if they are unable to get financing from any other source. These loans carry an interest rate of 3.75% and proceeds may be used for:

- Production Losses - Eligible farmers can use emergency loan funds to recover a portion of losses on growing crops that were destroyed.
- Physical Losses - Eligible farmers can use emergency loan funds to repair or rebuild essential farm buildings, clean debris or prepare land for replanting, and to replace livestock, supplies and harvested crops on hand or in storage that were lost.

A condition of the loan closing agreement will require you to assign any future disaster-related payments for this loss towards the loan. These loans are not based on economic or market losses, so any payments earned in regards to market loss will not be assigned.

For further information regarding these loans, please contact Marc Lathem, FLM at FSA's Dalhart Office.

DCP Late-Filed Acreage Reports

If you failed to report any of your planted crops in 1998 through 2001, you can still late-file a report of the acreage with this office. To late-file the acreage, you must submit records to document the existence and/or disposition of the crop. Such records include seed receipts or other sales evidence, crop insurance records, or other records that substantiate that the crop was planted.

Conservation Compliance

All producers are reminded that, if you buy or rent a new piece of property and are participating in an FSA program, you are responsible for Compliance with the Conservation Plan developed for the property. The farm's current Plan can be obtained from the NRCS.

COC Election

An election will be held in December to choose a representative to serve on the County Committee (COC) from LAA #2 (northeastern portion of the County).

The Committee helps deliver FSA programs at the local level. These producers help decide the kind of programs their counties will have and how they are administered. Committees make decisions on:

- Yields
- Disaster programs
- Conservation programs
- General program and payment eligibility
- Committees also hear appeals from producers who have received notice of adverse decisions

All farm owners, operators, tenants and sharecroppers of legal voting age are eligible to serve on the COC and vote in the elections. A list of the key election dates are:

- November 19th – Ballots will be mailed to voters
- December 2nd – Final day to return ballots.
- January 1st – Elected committee member and alternates take office.

We encourage all producers to take a part in electing their local FSA COC representatives.

Thanks

With the implementation of the 2002 Farm Bill, signup for the Livestock Compensation Program, and 2003 acreage reports, your assistance in helping us serve you is greatly appreciated. To serve you and all of the producers in Hartley County more effectively, we continue to ask that:

- you call for an appointment prior to coming in to conduct any FSA business with the staff,
- you limit your contact with this office on Wednesday mornings so that we can catch up on other FSA activities, and
- you turn-off your cell phones while working with the FSA staff in the office.

With your help, cooperation, and consideration, we hope to continue to provide you with timely and quality FSA service.

Holidays

This office will be closed on Monday, November 11th and Thursday, November 28th for Veterans Day and Thanksgiving. We hope that everyone will take time to remember the sacrifices our Veterans have made for our freedom and the abundant riches we enjoy in this Country.

If you have any questions about this newsletter or any FSA program, please come by this office or call us at (806) 365-4453 extension 2.